

**GRANT CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT
AND
SHELBY COUNTY**

This Grant Contract, by and between the State of Tennessee, Department of Economic and Community Development, hereinafter referred to as the "State" and Shelby County, hereinafter referred to as the "Grantee," is for the provision of improvements for EmergeMemphis, as further defined in the "SCOPE OF SERVICES."

Grantee Federal Employer Identification Number: 62-6000841

A. SCOPE OF SERVICES:

- A.1. The Grantee shall provide all service and deliverables as required, described, and detailed by this Scope of Services and shall meet all service and delivery timelines specified in the Scope of Services section or elsewhere in this Grant Contract.
- A.2. Buildout of the fourth floor of the existing facility to meet the demand for business incubator services will be associated eligible costs under the FastTrack Infrastructure Development Program (FIDP). EmergeMemphis has agreed to (1) invest at least \$295,522 in real property within three years of the date of this contract, (2) to employ at least one hundred forty (140) additional employees at EmergeMemphis within three years of the initiation of hiring, (3) to provide to the State of Tennessee periodic reports on the total number of employees for a period of five years after the initiation of hiring, and (4) to abide by all applicable Civil Rights Laws in the hiring process.

B. GRANT CONTRACT TERM:

This Grant Contract shall be effective for the period commencing on October 11, 2007 and ending on September 30, 2012. The State shall have no obligation for services rendered by the Grantee which are not performed within the specified period.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Grant Contract exceed six hundred thousand dollars (\$600,000). The Grant Budget, attached and incorporated herein as a part of this Grant Contract as Attachment A, shall constitute the maximum amount due the Grantee for the service and all of the Grantee's obligations hereunder. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Grantee.
- C.2. Compensation Firm. The maximum liability of the State is not subject to escalation for any reason unless amended. The Grant Budget amounts are firm for the duration of the Grant Contract and are not subject to escalation for any reason unless amended, except as provided in Section C.5.
- C.3. Payment Methodology. The Grantee shall be compensated for actual, reasonable, and necessary costs based upon the Grant Budget, not to exceed the maximum liability established in Section C.1. Upon progress toward the completion of the work, as described in Section A of this Grant Contract, the Grantee shall submit invoices prior to any reimbursement of allowable costs.
- C.4. Travel Compensation. Reimbursement to the Grantee for travel, meals, or lodging shall be subject to amounts and limitations specified in the "State Comprehensive Travel Regulations," as they are amended from time to time and shall be contingent upon and limited by the Grant Budget funding for said reimbursement.

- C.5. Invoice Requirements. The Grantee shall invoice the State no more often than monthly, with all necessary supporting documentation, to:

312 Eighth Avenue North, Tenth Floor
Nashville, Tennessee 37243

- a. Each invoice shall clearly and accurately (all calculations must be extended and totaled correctly) detail the following required information.
- (1) Invoice/Reference Number (assigned by the Grantee);
 - (2) Invoice Date;
 - (3) Invoice Period (period to which the reimbursement request is applicable);
 - (4) Grant Contract Number (assigned by the State to this Grant Contract);
 - (5) Account Name: Department of Economic and Community Development;
 - (6) Account/Grantor Number (uniquely assigned by the Grantee to the above-referenced Account Name);
 - (7) Grantee Name;
 - (8) Grantee Federal Employer Identification Number or Social Security Number (as referenced in this Grant Contract);
 - (9) Grantee Remittance Address;
 - (10) Grantee Contact (name, phone, and/or fax for the individual to contact with invoice questions);
 - (11) Complete Itemization of Reimbursement Requested for the Invoice Period, which shall detail, at minimum, the following:
 - i. Reimbursement Amount Requested by Grant Budget Line-Item for the invoice period (including any travel expenditure reimbursement requested in accordance with and attaching to the invoice appropriate documentation and receipts as required by the above-referenced "State Comprehensive Travel Regulations");
 - ii. Amount Reimbursed by Grant Budget Line-Item to Date;
 - iii. Total Amount Reimbursed under the Grant Contract to Date; and
 - iv. Total Reimbursement Amount Requested (all line-items) for the invoice period.
- b. The Grantee understands and agrees that an invoice to the State under this Grant Contract shall:
- (1) include only reimbursement requests for actual, reasonable, and necessary expenditures required in the delivery of service described in Grant Contract Section A subject to the Grant Budget and any other provision of this Grant Contract relating to allowable reimbursements; and
 - (2) not include any reimbursement requests for future expenditures.
- c. The Grantee agrees that timeframe for reimbursement begins when the State is in receipt of each invoice meeting the minimum requirements above.
- d. The Grantee shall complete and sign a "Substitute W-9 Form" provided to the Grantee by the State. The taxpayer identification number contained in the Substitute W-9 submitted to the State shall agree to the Federal Employer Identification Number or Social Security Number referenced in this Grant Contract for the Grantee. The Grantee shall not invoice the State under this Grant Contract until the State has received this completed form.

- C.6. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. The Grantee may request revisions of Grant Budget line-items by letter, giving full details supporting such request, provided that such revisions do not result in funding for a line-item that was previously funded at zero dollars (\$0.00) and do not increase the total Grant amount. Grant Budget line-item revisions may not be made without prior, written

approval of the State in which the terms of the approved revisions are explicitly set forth. Any such approval shall be superseded by a subsequent revision of the Grant Budget by contract amendment, and any increase in the total Grant amount shall require a contract amendment.

- C.7. Disbursement Reconciliation and Close Out. The Grantee shall submit a final invoice and grant disbursement reconciliation report within forty-five (45) days of the Grant Contract end date and in form and substance acceptable to the State.
- a. If total disbursements by the State pursuant to this Grant Contract exceed the amounts permitted by the Section C, Payment Terms and Conditions of this Grant Contract, the Grantee shall refund the difference to the State. The Grantee shall submit said refund with the final grant disbursement reconciliation report.
 - b. The State shall not be responsible for the payment of any invoice submitted to the state after the final invoice and grant disbursement reconciliation report. The State will not deem any Grantee costs submitted for reimbursement after the final invoice to be allowable and reimbursable by the State, and such invoices will NOT be paid.
 - c. The Grantee's failure to provide a final grant disbursement reconciliation report to the state as required shall result in the Grantee being deemed ineligible for reimbursement under this Grant Contract, and the Grantee shall be required to refund any and all payments by the state pursuant to this Grant Contract.
 - d. The Grantee must close out its accounting records at the end of the grant period in such a way that reimbursable expenditures and revenue collections are NOT carried forward.
- C.8. Indirect Cost. Should the Grantee request reimbursement for indirect cost, the Grantee must submit to the State a copy of the indirect cost rate approved by the cognizant federal agency and the State. The Grantee will be reimbursed for indirect cost in accordance with the approved indirect cost rate to amounts and limitations specified in the attached Grant Budget. Once the Grantee makes an election and treats a given cost as direct or indirect, it must apply that treatment consistently and may not change during the grant period. Any changes in the approved indirect cost rate must have prior approval of the cognizant federal agency and the State. If the indirect cost rate is provisional during the term of this agreement, once the rate becomes final, the Grantee agrees to remit any overpayment of funds to the State, and subject to the availability of funds the State agrees to remit any underpayment to the Grantee.
- C.9. Cost Allocation. If any part of the costs to be reimbursed under this Grant Contract are joint costs involving allocation to more than one program or activity, such costs shall be allocated and reported in accordance with the provisions of Department of Finance and Administration Policy Statement 03 or any amendments or revisions made to this policy statement during the Grant Contract period.
- C.10. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs invoiced therein.
- C.11. Unallowable Costs. The Grantee's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, not to constitute allowable costs.
- C.12. Deductions. The State reserves the right to deduct from amounts which are or shall become due and payable to the Grantee under this or any Contract between the Grantee and the State of Tennessee any amounts which are or shall become due and payable to the State of Tennessee by the Grantee.

- C.13. Automatic Deposits. The Grantee shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Grantee by the State. Once this form has been completed and submitted to the State by the Grantee all payments to the Grantee, under this or any other contract the Grantee has with the State of Tennessee shall be made by Automated Clearing House (ACH). The Grantee shall not invoice the State for services until the Grantee has completed this form and submitted it to the State.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Grant Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.
- D.2. Modification and Amendment. This Grant Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
- D.3. Termination for Convenience. The State may terminate this Grant Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Grantee at least thirty (30) days written notice before the effective termination date. The Grantee shall be entitled to compensation for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall the State be liable to the Grantee for compensation for any service which has not been rendered. The final decision as to the amount, for which the State is liable, shall be determined by the State. Should the State exercise this provision, the Grantee shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Grantee fails to properly perform its obligations under this Grant Contract in a timely or proper manner, or if the Grantee violates any terms of this Grant Contract, the State shall have the right to immediately terminate the Grant Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Grantee shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Grant Contract by the Grantee.
- D.5. Subcontracting. The Grantee shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Grant Contract below pertaining to "Conflicts of Interest," "Lobbying," "Nondiscrimination," "Public Accountability," "Public Notice," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Grantee shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Grantee warrants that no part of the total Grant Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Grantee in connection with any work contemplated or performed relative to this Grant Contract.
- D.7. Lobbying. The Grantee certifies, to the best of its knowledge and belief, that:
- a. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
 - b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a

Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Grantee shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

- c. The Grantee shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, *U.S. Code*.

- D.8. Nondiscrimination. The Grantee hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Grantee on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Grantee shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.9. Public Accountability. If the Grantee is subject to *Tennessee Code Annotated*, Title 8, Chapter 4, Part 4 or if this Grant Contract involves the provision of services to citizens by the Grantee on behalf of the State, the Grantee agrees to establish a system through which recipients of services may present grievances about the operation of the service program, and the Grantee shall display in a prominent place, located near the passageway through which the public enters in order to receive Grant supported services, a sign at least twelve inches (12") in height and eighteen inches (18") in width stating:

NOTICE: THIS AGENCY IS A RECIPIENT OF TAXPAYER FUNDING. IF YOU OBSERVE AN AGENCY DIRECTOR OR EMPLOYEE ENGAGING IN ANY ACTIVITY WHICH YOU CONSIDER TO BE ILLEGAL, IMPROPER, OR WASTEFUL, PLEASE CALL THE STATE COMPTROLLER'S TOLL-FREE HOTLINE: 1-800-232-5454

- D.10. Public Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Grantee shall include the statement, "This project is funded under an agreement with the Department of Economic and Community Development." Any such notices by the Grantee shall be approved by the State.
- D.11. Licensure. The Grantee and its employees and all sub-grantees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses.
- D.12. Records. The Grantee (and any approved subcontractor) shall maintain documentation for all charges under this Contract. The books, records, and documents of the Grantee (and any approved subcontractor), insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the state agency, the Comptroller of the Treasury, or their duly appointed representatives. The records of not-for-profit entities shall be maintained in accordance with the *Accounting Manual for the Recipients of Grant Funds in the State of Tennessee*, published by the Tennessee Comptroller of the Treasury (available at <http://comptroller.state.tn.us/ma/nonprofit/nonprofit1.pdf>). The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.13. Monitoring. The Grantee's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.

- D.14. Progress Reports. The Grantee shall submit brief, periodic, progress reports to the State as requested.
- D.15. Annual Report and Audit. The Grantee shall prepare and submit, within nine (9) months after the close of the reporting period, an annual report of its activities funded under this Grant Contract to the commissioner or head of the Granting agency, the Tennessee Comptroller of the Treasury, and the Commissioner of Finance and Administration. The annual report for any Grantee that receives five hundred thousand dollars (\$500,000) or more in aggregate federal and state funding for all its programs shall include audited financial statements. All books of account and financial records shall be subject to annual audit by the Tennessee Comptroller of the Treasury or the Comptroller's duly appointed representative. When an audit is required, the Grantee may, with the prior approval of the Comptroller, engage a licensed independent public accountant to perform the audit. The audit contract between the Grantee and the licensed independent public accountant shall be on a contract form prescribed by the Tennessee Comptroller of the Treasury. Any such audit shall be performed in accordance with generally accepted government auditing standards, the provisions of OMB Circular A-133, if applicable, and the *Audit Manual for Governmental Units and Recipients of Grant Funds* published by the Tennessee Comptroller of the Treasury. The Grantee shall be responsible for reimbursement of the cost of the audit prepared by the Tennessee Comptroller of the Treasury, and payment of fees for the audit prepared by the licensed independent public accountant. Payment of the audit fees of the licensed independent public accountant by the Grantee shall be subject to the provisions relating to such fees contained in the prescribed contract form noted above. Copies of such audits shall be provided to the designated cognizant state agency, the State Granting Department, the Tennessee Comptroller of the Treasury, and the Department of Finance and Administration and shall be made available to the public.
- D.16. Procurement. If the other terms of this Grant Contract allow reimbursement for the cost of goods, materials, supplies, equipment, and/or contracted services, such procurement shall be made on a competitive basis, including the use of competitive bidding procedures, where practical. The Grantee shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to this Grant Contract. In each instance where it is determined that use of a competitive procurement method was not practical, said documentation shall include a written justification, approved by the Commissioner of the Department of Economic and Community Development, for such decision and non-competitive procurement. Further, if such reimbursement is to be made with funds derived wholly or partially from federal sources, the determination of cost shall be governed by and reimbursement shall be subject to the Grantee's compliance with applicable federal procurement requirements.

The Grantee shall obtain prior approval from the State before purchasing any equipment under this Grant Contract.

- D.17. Strict Performance. Failure by any party to this Grant Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.18. Independent Contractor. The parties hereto, in the performance of this Grant Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Grant Contract shall be construed to create a principal/agent relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Grantee, being a political subdivision of the State, is governed by the provisions of the

Tennessee Government Tort Liability Act, *Tennessee Code Annotated*, Sections 29-20-101 *et seq.*, for causes of action sounding in tort. Further, no contract provision requiring a Tennessee political entity to indemnify or hold harmless the State beyond the liability imposed by law is enforceable because it appropriates public money and nullifies governmental immunity without the authorization of the General Assembly.

- D.19. State Liability. The State shall have no liability except as specifically provided in this Grant Contract.
- D.20. Force Majeure. The obligations of the parties to this Grant Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, natural disasters, riots, wars, epidemics or any other similar cause.
- D.21. State and Federal Compliance. The Grantee shall comply with all applicable state and federal laws and regulations in the performance of this Grant Contract.
- D.22. Governing Law. This Grant Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Grantee agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Grant Contract. The Grantee acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising there from, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.23. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.24. Severability. If any terms and conditions of this Grant Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Grant Contract are declared severable.
- D.25. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Grant Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Grant Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Philip Trauernicht, Administrator
Department of Economic and Community Development
312 Eighth Avenue North, Tenth Floor Nashville, Tennessee 37243

Philip.trauernicht@state.tn.us
Telephone # (615) 741-6201
FAX # (615) 253-1870

The Grantee:

The Honorable A.C. Wharton, Jr., County Mayor
Shelby County
160 Mid-America Mall, Suite 850, Memphis, Tennessee 38103
EMAIL ADDRESS: acwharton@shelbycountyttn.gov
Telephone # (901) 545-4500
FAX # (901) 545-4759

*With Copy to: Shelby County
Contracts Administration
160 N. Main St. 5th Fl.
Memphis, TN 38103*

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- E.3. Subject to Funds Availability. The Grant Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Grant Contract upon written notice to the Grantee. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Grantee shall cease all work associated with the Grant Contract. Should such an event occur, the Grantee shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Grantee shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E. 4. Charges to Service Recipients Prohibited. The Grantee shall not collect any amount in the form of fees or reimbursements from the recipients of any service provided pursuant to this Grant Contract.
- E. 5. No Equipment Acquisition. This Grant Contract does not involve the acquisition and disposition of equipment acquired with funds provided under this Grant Contract.
- E.6. Grantee Participation. Grantee Participation amounts detailed in the Grant Budget are intended as a goal for the total project, and the amount of actual Grantee Participation expenditures will not impact the maximum amounts reimbursable to the Grantee as detailed by the Grant Budget column, "Grant Contract."
- E. 7. If there is a project overrun, it is the responsibility of Shelby County to pay the cost.

IN WITNESS WHEREOF:

SHELBY COUNTY:

GRANTEE SIGNATURE

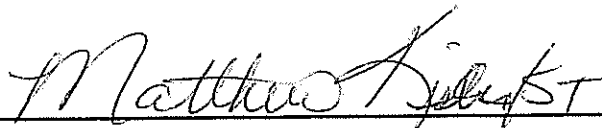
DATE

THE HONORABLE A.C. WHARTON, JR., COUNTY MAYOR

APPROVED AS TO FORM
AND LEGALITY:

MBright
Contract Administration/
Assistant County Attorney

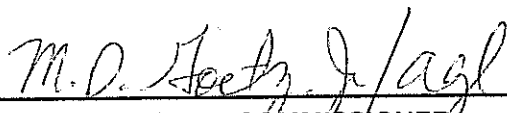
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT:



MATTHEW KISBER, COMMISSIONER

12/4/07
DATE

APPROVED:



M. D. GOETZ, JR., COMMISSIONER
DEPARTMENT OF FINANCE AND ADMINISTRATION

2/20/08
DATE



JOHN G. MORGAN, COMPTROLLER OF THE TREASURY

2/21/08
DATE

ATTACHMENT A
GRANT BUDGET

GRANT CONTRACT #

GRANTEE: Shelby County

GRANTEE CONTACT: Maggie Conway (901) 576-7417

PROGRAM AREA: FASTTRACK INFRASTRUCTURE DEVELOPMENT

THE FOLLOWING IS APPLICABLE TO EXPENSE INCURRED IN THE PERIOD: 10/11/07 through 9/30/12			
EXPENSE OBJECT LINE-ITEM CATEGORY	GRANT CONTRACT	GRANTEE PARTICIPATION	TOTAL PROJECT
Construction	\$600,000.00	\$358,477.00	\$958,477.00
Construction Inspection	\$0.00	\$0.00	\$0.00
Engineering Design	\$0.00	\$133,772.00	\$133,772.00
Engineering (other than design)	\$0.00	\$0.00	\$0.00
Legal Services	\$0.00	\$10,000.00	\$10,000.00
Appraisals	\$0.00	\$0.00	\$0.00
Acquisition of Property	\$0.00	\$0.00	\$0.00
Professional Fee (Detail attached)	\$0.00	\$5,000.00	\$5,000.00
Other Non-Personnel Expenses (Detail attached)	\$0.00	\$0.00	\$0.00
Project Contingency (for potential project costs exceeding the total budget amount in line items above)	\$0.00	\$110,225.00	\$110,225.00
GRAND TOTAL	\$600,000.00	\$617,474.00	\$1,217,474.00

Grant Rate: 67%

Three Star: 0%

LINE-ITEM DETAIL FOR: PROFESSIONAL FEE	AMOUNT
Administration Contract between Shelby County and Shelby County Office of Economic Development	\$5,000.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00
TOTAL	\$5,000.00

LINE-ITEM DETAIL FOR: OTHER NON-PERSONNEL EXPENSES	AMOUNT
	\$0.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00
TOTAL	\$0.00

EMERGEMEMPHIS 4TH FLOOR RENOVATION PROJECT
PRELIMINARY ENGINEERING REPORT
MARCH, 2007

The proposed project is for the completion of the unfinished portion of the EmergeMemphis building at 516 Tennessee Street, in the Historic South Main District of Memphis, TN. The purpose of the project is to complete building renovation of the 4th floor, which comprises an additional 15,000 gross square feet of space. This expansion will accommodate 14-16 new businesses and will help EmergeMemphis to assist more entrepreneurs and start-up enterprises.

The estimated construction period is April/May 2007 to July/August 2007.

EmergeMemphis is currently recruiting for the 15,000 square feet to be opened up by the successful completion of this project. EmergeMemphis is the only business incubator in the region and is currently operating at full capacity with the space currently available. Seven potential members were turned away within the last year. Full occupancy of the remaining square feet is estimated within one year and this would create an additional 80-90 jobs. The creation another 60 jobs are expected over the following 2 years, creating a total of 140 new jobs over a 36-month period.

ATTACHMENTS:

- Letter - Architectural and Engineering Information – Carter Hord, Chief Architect
- Table – Preliminary Cost Estimate

HORD ARCHITECTS

66 MONROE AVENUE, SUITE 105, MEMPHIS, TN 38103

PHONE (901) 527-9085, FAX (901) 527-9087

December 22, 2006

Mr. Gwin Scott, President
Emerge Memphis
516 Tennessee Street
Memphis, TN 38103

RE: Expansion of Memphis Incubator Systems, Inc. – Emerge Memphis
Preliminary Architectural / Engineering Information

Dear Mr. Scott,

This letter shall serve as supporting information for grant applications to help fund the expansion of Emerge Memphis.

1. Statement of project components –

The project is an expansion of an existing business incubator in a renovated four story warehouse in downtown Memphis, Tennessee. Phase one included renovation of the basement and the first two floors funded primarily by an EDA grant in 2000. Subsequently, half of the third floor was completed by FedEx. We have prepared initial plans for completing the third floor, fourth floor, and roof deck.

A summary of the major work components in the next phase includes:

- A. Completing the fourth floor of the existing building (15,400 gross sq. ft.). This includes plumbing, HVAC, electrical, partitions, and all interior finishes.
The work will be similar to the first two floors.
- B. Installing a freight elevator to serve five levels including the basement and four floors.
- C. Extending stair shaft #1 to serve a proposed roof deck of approximately 3,000 sq. ft.
- D. Installing double hung windows on the fourth floor.

2. Feasibility Analysis –

The first floor, second floor, and half of the third floor of the existing four story building are complete. The underground parking garage is complete. The scope of work for the next phase entails completion of the fourth floor shell space. The envelope is complete for this floor; however, will require: electrical, lighting, heating and air conditioning, plumbing, interior walls, and finishes for full build-out and use. The project is quite feasible because expansion capabilities exist within the structure. There don't appear to be any issues which would delay construction or affect project components.

3. Useful Life -

The building shell is estimated to have a useful life of 75 to 100 years based on the experience of Bologna Consultants with buildings of this vintage and construction type. The interiors are estimated to have a useful life of 25 to 30 years based on normal wear and tear and technological advances that would make existing finishes and some materials obsolete.

4. Construction Cost Estimate -

Attached is an estimate of probable cost for expansion of Emerge Memphis dated 12-19-06.

5. Construction Permits -

A standard building permit is required by the Memphis and Shelby County Office of Construction Code Enforcement. Separately, the Tennessee Historical Commission needs to approve the proposed window scope of work. The initial filing with the Historical Commission has been made.

6. Estimated number of months for project -

We estimate the period of time for our Architecture and Engineering team to complete Design Development and produce Construction Documents to be approximately three months. One month should be allowed for bidding and six months for construction.

Please let us know if we can be of further assistance in the preparation of materials for your funding application. We look forward to continuing our relationship with the Memphis Incubator Systems and completing this important and valuable project.

Respectfully,



Carter Hord, AIA, Principal

Cc: Tony Bologna, Bologna Consultants

Preliminary Cost Estimates

Scope includes 4th floor build-out & window alterations, roof deck, and 2nd elevator.

	Construction Activity		Revised Estimate
1	Bonds, Permits & Insurance	\$	15,913
2	Job Overhead	\$	38,580
3	Selective Demolition	\$	31,689
4	Concrete	\$	22,018
5	Masonry	\$	10,927
6	Structural Steel	\$	36,000
7	Rough Carpentry	\$	37,500
8	Millwork	\$	25,928
9	Roofing	\$	12,000
10	Masonry Restoration / Sealing	\$	11,250
11	Hollow Metal	\$	11,415
12	Wood Doors	\$	10,381
13	Finish Hardware	\$	10,928
14	Windows	\$	45,000
15	Acoustical Ceilings	\$	2,500
16	Drywall	\$	70,000
17	Ceramic Tile	\$	4,098
18	Hardwood Floor	\$	36,929
19	Painting	\$	40,000
20	Toilet Partitions & Accessories	\$	5,464
21	Fire Extinguishers & Cabinets	\$	1,366
22	I. D. Devices	\$	2,732
23	Demountable Partitions	\$	14,534
24	Window Blinds	\$	3,825
25	Elevator	\$	130,000
26	HVAC	\$	125,000
27	Plumbing	\$	32,500
28	Fire Protection	\$	20,000
29	Electrical	\$	150,000
	Subtotal =	\$	958,477
	Estimate	\$	958,477
	Soft Cost Allowance (15%)	\$	143,772
		\$	1,102,249
	Contingency Allowance (10%)	\$	110,225
		\$	1,212,474
	Administrative Fee*	\$	5,000
		\$	1,217,474

*edit Office of Economic Development 6/22/07

ATTACHMENT A

GRANT BUDGET

GRANT CONTRACT #

GRANTEE:

Shelby County

GRANTEE CONTACT:

Maggie Conway (901) 576-7417

PROGRAM AREA:

FASTTRACK INFRASTRUCTURE DEVELOPMENT

THE FOLLOWING IS APPLICABLE TO EXPENSE INCURRED IN THE PERIOD: 10/11/07 through 9/30/12

EXPENSE OBJECT LINE-ITEM CATEGORY	GRANT CONTRACT	GRANTEE PARTICIPATION	TOTAL PROJECT
Construction	\$600,000.00	\$358,477.00	\$958,477.00
Construction Inspection	\$0.00	\$0.00	\$0.00
Engineering Design	\$0.00	\$133,772.00	\$133,772.00
Engineering (other than design)	\$0.00	\$0.00	\$0.00
Legal Services	\$0.00	\$10,000.00	\$10,000.00
Appraisals	\$0.00	\$0.00	\$0.00
Acquisition of Property	\$0.00	\$0.00	\$0.00
Professional Fee (Detail attached)	\$0.00	\$5,000.00	\$5,000.00
Other Non-Personnel Expenses (Detail attached)	\$0.00	\$0.00	\$0.00
Project Contingency (for potential project costs exceeding the total budget amount in line items above)	\$0.00	\$110,225.00	\$110,225.00
GRAND TOTAL	\$600,000.00	\$617,474.00	\$1,217,474.00

Grant Rate: 67%

Three Star: 0%

LINE-ITEM DETAIL FOR: PROFESSIONAL FEE	AMOUNT
Administration Contract between Shelby County and Shelby County Office of Economic Development	\$5,000.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00
TOTAL	\$5,000.00

[illegible]